

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

LAW DEPARTMENT  
701 COMMERCE STREET  
DALLAS, TEXAS 75202

RECORDATION NO. 6130-C

MICHAEL E. ROPER  
Commerce Counsel

OCT 8 1985 - 3 20 PM

214-651-6741

INTERSTATE COMMERCE COMMISSION

212.11

October 3, 1985

5-281A070

Mr. James H. Bayne  
Secretary  
Interstate Commerce Commission  
12th and Constitution Ave., N.W.  
Washington, D.C. 20423

OCT 8 1985

10.00

Re: Supplemental Indenture dated as of January 1, 1961,  
to Prior Lien Mortgage dated as of January 1, 1922.

Dear Mr. Bayne:

Enclosed are an original and four (4) copies of the document described below,  
to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Supplemental Indenture, a secondary document, dated as of  
January 1, 1961, to Prior Lien Mortgage dated as of January 1, 1922. The primary  
document to which this is connected is recorded under Recordation No. 6130.

The names and addresses of the parties to the document are as follows:

Mortgagee: Manufacturers Hanover Trust Company (Successor  
to The Hanover Bank)  
600 Fifth Avenue  
New York, NY 10020  
Attn: Mr. Ernest F. Cockings

Mortgagor: Missouri-Kansas-Texas Railroad Company  
701 Commerce Street  
Dallas, TX 75202  
Attn: Mr. Karl R. Ziebarth

A description of the bonds covered by the document follows:

Series G 5% Prior Lien Mortgage Bonds due January 1, 2011,  
in principal amount at any one time outstanding of not in  
excess of \$40,000,000.

A cashier's check in the amount of \$10.00 is enclosed for the filing fee.  
Please return the original and any copies not needed by the Commission, stamped  
to show recordation, to the undersigned.

OCT 8 3 18 PM '85  
RECEIVED  
FBI  
DALLAS  
TEXAS

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

LAW DEPARTMENT

Mr. James H. Bayne

- 2 -

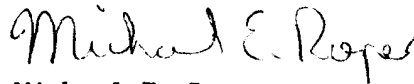
October 3, 1985

A short summary of the document to appear in the Index follows:

Supplemental Indenture dated as of January 1, 1961, a secondary document to Prior Lien Mortgage dated as of January 1, 1922, the primary document with Recordation No. 6130; covering issuance of Series G 5% Prior Lien Mortgage Bonds due January 1, 2011, in principal amount at any one time outstanding of not in excess of \$40,000,000.

I certify that I have knowledge of the foregoing.

Yours very truly,



Michael E. Roper  
Commerce Counsel

MER:vas  
Enclosures

**Interstate Commerce Commission**  
Washington, D.C. 20423

10/9/85

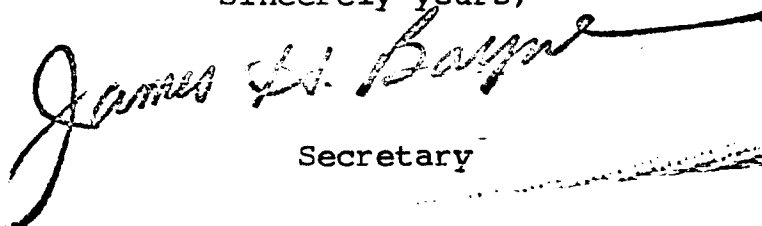
**OFFICE OF THE SECRETARY**

Michael E. Roper  
Commerce Counsel  
Missouri-Kansas-Texas RR.Co.  
701 Commerce Street  
Dallas, Texas 75202

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/8/85 at 3:30pm and assigned re-recording number(s). 6130-C

Sincerely yours,

  
Secretary

Enclosure(s)

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| COMMERCIAL 28       |
| EXECUTED 40 DEPARTS |

[CONFORMED COPY]

RECORDATION NO. 6130-C Filed 1425

OCT 8 1985 -3 30 PM

INTERSTATE COMMERCE COMMISSION

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

TO

THE HANOVER BANK

AND

DANIEL K. CATLIN,

TRUSTEES.

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## Supplemental Indenture

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*Dated as of January 1, 1961*

Supplemental to Prior Lien Mortgage, dated as of January 1, 1922.

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**THIS SUPPLEMENTAL INDENTURE**, dated as of January 1, 1961, by and between MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, a corporation of the State of Delaware (hereinafter sometimes referred to as the Railroad Company), party of the first part, and THE HANOVER BANK, a corporation of the State of New York (hereinafter referred to as the Corporate Trustee), and DANIEL K. CATLIN, of the City of St. Louis, State of Missouri (hereinafter referred to as the Individual Trustee), parties of the second part (hereinafter collectively referred to as the Trustees):

WHEREAS, the former Missouri-Kansas-Texas Railroad Company, a corporation of the State of Missouri (hereinafter referred to as the Old Company), heretofore duly executed and delivered to the Corporate Trustee (under its then name of Central Union Trust Company of New York) and to the Individual Trustee its Prior Lien Mortgage, dated as of January 1, 1922 (hereinafter referred to as the Original Mortgage), which Original Mortgage has heretofore been supplemented from time to time (the Original Mortgage as so supplemented being hereinafter referred to as the Mortgage), and which provides for the issue and security of certain bonds of the Old Company, therein described, to be known as the Prior Lien Mortgage Gold Bonds of Missouri-Kansas-Texas Railroad Company (hereinafter called Prior Lien Bonds), such Prior Lien Bonds to be issuable in such series as shall from time to time be created by action of the Board of Directors of the Old Company, and the Old Company has heretofore created Series A through Series F of Prior Lien Bonds, certain of which are now outstanding; and

WHEREAS, the Railroad Company, as successor by consolidation to the Old Company, executed and delivered to the Trustees a Supplemental Indenture dated as of July 1, 1960 to the Original Mortgage as theretofore supplemented, evidencing the Railroad Company's assumption of obligation in respect of the Prior Lien Bonds and the Original Mortgage, as theretofore supplemented, pursuant to Article Thirteen of the Original Mortgage and by reason of said Article succeeded to and was substituted for the Old Company with the same effect as if it had been named in the Mortgage, and was empowered to issue either in its own name or in the name of the

WHEREAS, by reason of Article Thirteen and Article Three of the Original Mortgage, the Railroad Company when authorized by resolution of its Board of Directors and the Trustees, may from time to time enter into an indenture or indentures supplemental to the Mortgage for various purposes as therein set forth; and

WHEREAS, by resolutions duly adopted by the Board of Directors of the Railroad Company at a meeting duly called and held, the execution and delivery of this Supplemental Indenture has been duly authorized and the creation and issue of a series of Prior Lien Bonds to be designated "Series G," and to mature January 1, 2011 (hereinafter referred to as the Series G Bonds), as hereinafter set forth have been duly authorized; and

WHEREAS, the text of the Series G Bonds in registered form and of the Corporate Trustee's Certificate to be endorsed on the Series G Bonds are to be severally and substantially as follows:

## [FORM OF REGISTERED SERIES G BOND]

| No. | Series G | \$ |
|-----|----------|----|
|-----|----------|----|

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY.

**Registered Prior Lien Mortgage Five Per Cent Bond.**

**Due January 1, 2011**

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY (hereinafter called the Railroad Company), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the first day of January, 2011, \_\_\_\_\_ thousand dollars, and to pay interest on said principal amount from the date of this bond, at the rate of five per cent per annum, semi-annually, on the first day of January and the first day of July in every year.

Payment of the principal of and interest on this bond will be made at the office or agency of the Railroad Company in the Borough of Manhattan,

City and State of New York, in such coin or currency of the United States of America, as at the time of payment shall be legal tender for the payment of public and private debts.

This bond is one of the duly authorized issue of bonds of the Railroad Company, known as the Railroad Company's Prior Lien Mortgage Gold Bonds and herein termed Prior Lien Bonds, issuable in series, of which this is Series G, limited to the principal amount of \$250,000,000 at any one time outstanding, bearing interest payable semi-annually, January 1, and July 1, and all issued and to be issued under, and equally secured by, a mortgage and deed of trust, dated as of January 1, 1922, made by Missouri-Kansas-Texas Railroad Company, a Missouri corporation, predecessor of the Railroad Company, to Central Union Trust Company of New York (now The Hanover Bank) and Daniel K. Catlin as Trustees, which Mortgage as supplemented is hereinafter called the Prior Lien Mortgage. For a description of the properties and franchises mortgaged and pledged, the nature and extent of the security, and the terms and conditions upon which the Prior Lien Bonds may be issued and are secured, reference is made to the Prior Lien Mortgage.

Prior Lien Bonds, Series G, are subject to redemption as a whole at the option of the Railroad Company at any time at the face amount thereof together with accrued interest, upon sixty days prior notice to be given, as provided in the Prior Lien Mortgage, by publication once a week for four successive weeks in a daily newspaper of general circulation in the Borough of Manhattan, City and State of New York, the first publication to be not less than sixty days nor more than ninety days prior to the designated redemption date.

In case an event of default, as defined in the Prior Lien Mortgage, shall occur, the principal of the Prior Lien Bonds may be declared, or may become, due and payable, in the manner and with the effect provided in the Prior Lien Mortgage.

No recourse shall be had for the payment of the principal of or interest on this bond or any part thereof or for any claim based thereon or otherwise in respect thereof or of the indebtedness represented thereby or of the Prior Lien Mortgage, against any incorporator, stockholder, officer or director, as such, past, present or future, of the Railroad Company or of any successor company, either directly or through the Railroad Company or any such successor company, whether by virtue of any statute or constitutional provision or by the enforcement of any assessment or otherwise, all such liability

being by the acceptance hereof and as a part of the consideration of the issue hereof expressly waived and released.

This bond is transferable by the registered holder hereof, in person or by attorney duly authorized, at the office or agency of the Railroad Company in the Borough of Manhattan, City and State of New York, upon surrender and cancellation of this bond, and a new registered bond will be issued to the transferee in exchange therefor, as provided in the Prior Lien Mortgage, and on payment, if the Railroad Company shall so require, of the charge therein provided for. This bond may be exchanged for coupon bonds of the denomination of \$1,000 for the same aggregate principal amount and bearing all unmatured coupons and of the same series, and any such coupon bond may in turn be re-exchanged for a registered bond, in each case as provided in the Prior Lien Mortgage, and on payment, if the Railroad Company shall so require, of the charge therein provided for.

Effective as provided in Section 2 of Article Four of the Supplemental Indenture dated as of January 1, 1961, providing for the issuance of the Prior Lien Bonds, Series G, the Prior Lien Mortgage permits the amendment thereof and of the rights and obligations of the Railroad Company and of the holders of the Prior Lien Bonds of all or any series at any time by the concurrent action of the Railroad Company and the holders of specified percentages of the Prior Lien Bonds then outstanding affected by such amendment, including, in the case, among others, of a modification of the terms of payment of the principal of, or interest on, this bond, the consent of the holder hereof, all as more fully provided in said Supplemental Indenture.

This bond shall not be entitled to any benefit under the Prior Lien Mortgage, and shall not become valid or obligatory for any purpose, until it shall have been authenticated by the certificate of the Corporate Trustee under the Prior Lien Mortgage, hereon endorsed.

IN WITNESS WHEREOF, MISSOURI-KANSAS-TEXAS RAILROAD COMPANY has caused this bond to be signed by the manual or facsimile signature of its president or a vice-president, and its corporate seal or a facsimile thereof to be hereunto affixed or imprinted hereon and to be attested by the manual or



facsimile signature of its secretary or an assistant secretary as of the day of

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

[CORPORATE SEAL] By ..... Vice-President

Attest:

.....  
Assistant Secretary

[FORM OF CORPORATE TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

THIS IS TO CERTIFY that this bond is one of the bonds described in the within mentioned mortgage and deed of trust.

THE HANOVER BANK,  
Trustee.

By .....

WHEREAS, the text of the Series G Bonds in coupon form are to be substantially the same as that of the Series G Bonds in registered form with such omissions, insertions and variations as shall be appropriate to bonds in coupon form and the text of the coupons to be attached thereto shall be the text of coupons set forth in the Mortgage with such omissions, insertions and variations as shall be appropriate; and

WHEREAS, all acts and things prescribed by law and by the charter and by-laws of the Railroad Company, respectively, have been duly performed, and the Railroad Company has duly executed this Supplemental Indenture

in the exercise of each and every legal right and power in the Railroad Company vested, and all things necessary to make this Supplemental Indenture a valid and binding agreement have been done and performed;

NOW, THEREFORE, in order to provide for the issuance of the Series G Bonds and to provide for certain amendments of the Mortgage as herein set forth, and for and in consideration of the premises and of the sum of One Dollar (\$1.00) paid by the Trustees to the Railroad Company, receipt whereof is hereby acknowledged, the Railroad Company has executed and delivered this Supplemental Indenture for the purposes aforesaid and the Railroad Company hereby covenants and agrees to and with the Trustees, jointly and severally, as follows:

## **ARTICLE ONE.**

### **Issuance of Series G Bonds.**

SECTION 1. The Series G Bonds shall be issued and authenticated under and in accordance with the provisions of the Mortgage in a principal amount at any one time outstanding, except as otherwise provided in Section 7 of Article One of the Mortgage, not in excess of \$40,000,000.

SECTION 2. The Series G Bonds in coupon form will be dated January 1, 1961 and in registered form will be dated as provided in the Mortgage; will mature January 1, 2011; will bear interest at the rate of 5% per annum payable January 1 and July 1 in each year until the principal sum is paid; will be payable as to principal and interest at the office or agency of the Railroad Company in the Borough of Manhattan, City and State of New York, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts; will be redeemable as a whole at the option of the Railroad Company at any time at the face amount thereof together with accrued interest upon notice as provided in the Mortgage; and will be issuable in fully registered form in the denominations of \$1,000 and any multiple thereof and in coupon form in the denomination of \$1,000.

**ARTICLE TWO.****Alteration of Provisions of Mortgage as to Releases of Mortgaged Property.**

SECTION 1. Article Ten of the Original Mortgage is hereby amended, effective as provided in Article Four hereof, to read in its entirety as follows:

**"ARTICLE TEN.****"RELEASES OF MORTGAGED PROPERTY.**

"SECTION 1. The provisions of this Article Ten shall not be deemed in any manner to limit any right or power conferred on the Railroad Company or on any controlled company or subsidiary company of the Railroad Company by other provisions of this indenture but shall be expressly subject thereto.

"SECTION 2. From time to time, while the Railroad Company is in possession of the mortgaged premises, but subject to the conditions and limitations in this Article Ten prescribed, and not otherwise, the Railroad Company may sell, exchange for other property, donate or otherwise dispose of, and the Trustees, when thereunto authorized as in Section 15 of this Article Ten provided, shall release from the lien and operation of this indenture,

(a) any part of the lines of railway or any leasehold, easement, trackage right or other interest or undivided or part interest therein, or any part thereof, which is or shall be at any time subject to this indenture, if in the judgment of the Board of Directors (including within that term as hereinafter in this Article used the Executive Committee of the Board of Directors) of the Railroad Company

(1) either (i) the Railroad Company will not be prevented by such release from maintaining, over lines of railway subject to this indenture (either directly or through the pledge or assignment of a majority of the capital stock of the companies owning or controlling through controlled companies or subsidiary companies such lines of railway) or a leasehold interest in which shall be subject to this indenture, continuous lines of railway between the principal points then served by it, or (ii) such release will not

materially adversely affect the security for the Prior Lien Bonds or the interests of holders thereof, and

(2) it shall no longer be necessary or expedient to retain such part of said lines of railway as a part of the system of railroads subject to this indenture as aforesaid,

and

(b) any other real estate or other property (except cash) including any other rights or interests in property which, in the judgment of the Board of Directors, it shall no longer be necessary or expedient for the Company to retain for the operation, maintenance or use of the lines of railway then subject to this indenture, or for use in the business of the Railroad Company.

"SECTION 3. The Railroad Company, while in possession of the mortgaged premises, subject to the conditions and limitations in this Article Ten prescribed, and not otherwise, may sell, exchange for other property, donate or otherwise dispose of and the Trustees shall release from the lien of the indenture, any of the stocks or bonds pledged or assigned hereunder *provided* that in the judgment of the Board of Directors of the Railroad Company (i) it shall no longer be necessary or expedient to retain the same and (ii) either (a) such release does not prevent the maintenance by the Railroad Company, in the manner set forth in Section 2 of this Article Ten, of continuous lines of railway between the principal points then served by it or (b) such release will not materially adversely affect the security for the Prior Lien Bonds or the interests of the holders thereof; provided further, in the case of the sale of stock of a controlled company or a subsidiary company, that (except in the case of the sale of stock of a terminal company) the entire amount pledged or assigned hereunder of stock of such company shall be sold.

"SECTION 4. In any case of the sale, exchange or other disposition of property pursuant to the provisions of Sections 2 and 3 of this Article Ten the consideration, in the case of sale of property, or the property to be received in exchange, may consist either of (a) cash or (b) obligations secured by purchase money mortgage on the property to be released, or (c) property of any kind or description, or (d) in case

of any release of property in connection with any joint terminal or other joint facility, rights to use the property of such terminal or other joint facility, or (e) a combination of any of the foregoing.

"SECTION 5. The Railroad Company may, after delivery by it to the Corporate Trustee of resolutions and certificates as in Section 15 of this Article Ten provided, and after receipt of the written consent of the Corporate Trustee, permit any controlled company or subsidiary company of the Railroad Company to sell or exchange for other property or otherwise dispose of its railroads or any part thereof, *provided* that in the judgment of the Board of Directors of the Railroad Company

(a) either (i) such release does not prevent the maintenance by the Railroad Company, in the manner set forth in Section 2 of this Article Ten, of continuous lines of railway between the principal points then served by it or (ii) such release will not materially adversely affect the security for the Prior Lien Bonds or the interests of the holders thereof; and

(b) it shall no longer be necessary or expedient to retain such railroads as a part of the system of railroads subject to this indenture as aforesaid;

and the Trustees, the written consent of the Corporate Trustee having been so given, shall do all acts requisite on their part to consummate such sale, exchange or other disposition.

"SECTION 6. The Railroad Company while in possession of the mortgaged premises, subject to the conditions and limitations in this Article Ten prescribed and not otherwise, shall have the right to make leases of land or property subject to this indenture, provided that in the judgment of the Board of Directors of the Railroad Company

(a) either (i) the Railroad Company is not thereby prevented from maintaining, in the manner set forth in Section 2 of this Article Ten, continuous lines of railway between the principal points then served by it or (ii) such lease will not materially adversely affect the security for the Prior Lien Bonds or the interests of the holders thereof; and

(b) it shall no longer be necessary or expedient to retain the lands or property so leased or to be leased for use in the operation

of the railroads subject to this indenture or for use in the business of the Railroad Company;

and the Trustees shall do all acts requisite on their part to subordinate the lien of this indenture to any lease so made and to any leasehold interest created by such lease. The interest of the Railroad Company in said leases and contracts, and any rental or other compensation to be received by it thereunder and any reciprocal leases, contracts or other benefits obtained by the Railroad Company in consideration therefor or in connection therewith shall be subject to this indenture. If and to the extent that any such rental or other compensation shall be capitalized, the same shall be paid to the Corporate Trustee, and if and to the extent that the same, although not capitalized, shall be payable in instalments during the term of the lease such instalments, in case, but only in case, an event of default shall have happened, and during the continuance of such event of default, shall be payable to the Corporate Trustee.

"The Railroad Company may, after delivery by it to the Corporate Trustee of resolutions and certificates as in Section 15 of this Article Ten provided and after receipt of the written consent of the Corporate Trustee, permit any of the controlled companies or subsidiary companies of the Railroad Company to make leases of land or property, *provided* that in the judgment of the Board of Directors of the Railroad Company

(a) either (i) the Railroad Company is not thereby prevented from maintaining, in the manner set forth in Section 2 of this Article Ten, continuous lines of railway between the principal points then served by it or (ii) such lease will not materially adversely affect security for the Prior Lien Bonds or the interests of the holders thereof; and

(b) it shall no longer be necessary or expedient to retain the same for use in the operation of the lines of railway of such controlled company or subsidiary company or for use in its business, or for use in the operation of the lines of railway of the Railroad Company, or in the business of the Railroad Company.

"SECTION 7. The Railroad Company, subject to the conditions and limitations in this Article Ten prescribed, may sell parts of its

tracks or other property, or grant trackage rights over such tracks, or make other arrangements, to or with any terminal company or union depot company or other railroad company with which it may enter into arrangements for joint depot and terminal facilities, *provided*

(a) that in the judgment of the Board of Directors of the Railroad Company, either (i) the Railroad Company is not thereby prevented from maintaining, in the manner set forth in Section 2 of this Article Ten, continuous lines of railway between the principal points then served by it or (ii) such sales or arrangements will not materially adversely affect the security for the Prior Lien Bonds or the interests of the holders thereof,

(b) that the Railroad Company secures and pledges under this indenture contracts giving it the right to use such union depot or terminal property upon substantially equal terms with the other companies using the same, and

(c) that the value of the property sold or the rights parted with and the value of the rights, moneys and property obtained shall in the judgment of the Board of Directors of the Railroad Company be commensurate;

and the Trustees shall release the properties so sold.

"The Railroad Company may, after delivery by it to the Corporate Trustee of resolutions and certificates as in Section 15 of this Article Ten provided, and after receipt of the written consent of the Corporate Trustee, permit any controlled company or subsidiary company of the Railroad Company to make similar sales or arrangements, *provided*

(a) that in the judgment of the Board of Directors of the Railroad Company either (i) the Railroad Company is not thereby prevented from maintaining, in the manner set forth in Section 2 of this Article Ten, continuous lines of railway between the principal points then served by it or (ii) such sales or arrangements will not materially adversely affect the security for the Prior Lien Bonds or the interests of the holders thereof, and

(b) that such controlled company or subsidiary company making such sale or arrangement secures contracts giving it the right to use

such union depot or terminal property upon substantially equal terms with the companies using the same, and

(c) that the value of the property sold or the rights parted with and the value of the rights, moneys and property obtained shall in the judgment of the Board of Directors of the Railroad Company be commensurate.

"SECTION 8. The Trustees shall, from time to time, release from the lien of this indenture any franchise or portion thereof which is to be or shall have been surrendered by the Railroad Company, and any tracks and structures which are to be or shall have been removed or abandoned by it, *provided* that such surrender of franchise or such removal or abandonment of tracks or structures shall be or shall have been made, pursuant to the authority of the Interstate Commerce Commission or pursuant to any agreement with a state, municipality or other political division or subdivision of a state, or pursuant to some other authorization or pursuant to legal requirement.

"The Railroad Company shall have full power, in its discretion and without notice to or action by the Trustees, to sell, donate, exchange for other property or otherwise dispose of, free from the lien of this indenture, any property so abandoned but any cash or other consideration received shall be deposited with or assigned to the Corporate Trustee as provided in Section 16 of this Article Ten.

"SECTION 9. If, by a final decree of any court of competent jurisdiction in the premises, the Railroad Company shall be required to part with the ownership, possession or operation of any portion or portions of the trust estate, then and in any such event the portion with which it may be so required to part shall be released from the lien of this indenture

(a) if the Trustees are parties to the action or proceeding in which such decree shall have been entered, on such terms and conditions as in such decree may be prescribed;

(b) if the Trustees are not parties to such action or proceeding, on such terms and conditions as may be satisfactory to the Trustees in their discretion or as may be prescribed by the decree of any court of competent jurisdiction in an action or proceeding brought by the Trustees or to which they are parties.



"SECTION 10. The Railroad Company, while in possession of the mortgaged premises, shall have full power, in its discretion, from time to time, (a) to alter, remove, demolish or retire from service any building or structure or industry tracks or side tracks or yard tracks or other similar property subject to the lien of this indenture which may have become unfit, obsolete, or undesirable for use or which it may deem necessary or advantageous to alter, remove, demolish or retire in connection with the maintenance or operation of or in the improvement of the mortgaged premises and (b) to dispose of, free from the lien of this indenture, any portion of the machinery, rolling stock and other equipment and implements, at any time held subject to the lien hereof, which may have become obsolete or otherwise unfit or undesirable for use or which it may not be necessary or advantageous longer to retain for use upon the mortgaged premises and to sell or dispose of, or use in the construction of new equipment, machinery or apparatus, free from the lien of this indenture, any scrap or other material accumulated from any above mentioned alteration, removal, demolition or retirement or otherwise; in each case within a reasonable time replacing the same with, or substituting therefor, other properties, new or used, not necessarily of the same character but having a value at least equal to the then value of the property disposed of at the time of its disposition or, if it be sold, to the consideration therefor received by the Railroad Company, and such replacements and substituted property shall forthwith become subject to the lien of this indenture.

"The Railroad Company may at any time make any change in the location of any of the tracks, station-houses, buildings or other structures upon any part of the mortgaged premises, and the Trustees, upon conveyance to them on the trusts of this indenture of such new tracks, station-houses, buildings or other structures, and the premises on which the same may be erected, or upon delivery to the Corporate Trustee of an opinion of counsel satisfactory to the Corporate Trustee that no conveyance thereof is necessary to subject the same to the lien of this Indenture, or upon deposit with the Corporate Trustee of an amount equal to the fair value thereof, and in any such case payment to the Corporate Trustee of any net proceeds of such change and substitution, shall, at the request of the Railroad Company, release from the lien of this indenture the tracks, station-houses, buildings and other structures, the location of which shall be so changed, and the premises on which they were erected, and shall execute and deliver any and all instruments necessary and

proper to effect such purpose. The Railroad Company with the consent of the Trustees may change, amend or supplement any leases, the terms of which extend beyond the latest date of maturity of the Prior Lien Bonds at the time outstanding, whether existing at the date of this indenture or hereafter made, and while in possession of the mortgaged premises, shall have the right without such consent from time to time to change, amend, supplement, surrender and accept the surrender of, in whole or in part, any leases whose terms do not extend beyond the latest date of maturity of the Prior Lien Bonds at the time outstanding, or any leases whatever their term to or with a lessor which, at the time, is a controlled company or subsidiary company of the Railroad Company, or any trackage rights, or any contracts relating to the mortgaged premises, *provided*, that in the judgment of the Board of Directors the Railroad Company is not thereby prevented from maintaining, in the manner set forth in Section 2 of this Article Ten, continuous lines of railway between the principal points then served by it.

"In such event any changed, amended, or supplemented lease, trackage rights, or contract shall be subject to this indenture in the same manner as that previously existing.

"The Railroad Company shall have full power to make any lease of, or to grant trackage rights upon, the mortgaged premises or to enter into any contract affecting the same, subject to the prior lien of this indenture, but nothing in this Section 10 contained shall be construed as giving the Railroad Company power to make any such lease, or to grant any such trackage rights, or to enter into any such contract, unless such lease, trackage rights or contract shall be expressly subject to the prior lien of this indenture.

"SECTION 11. The Railroad Company may from time to time sell, exchange or otherwise dispose of, free from the lien of this indenture and without release by the Trustees, any property other than cash and securities at any time subject to the lien hereof, which is not used, or, in the opinion of the Railroad Company, useful, for railroad purposes, not exceeding in any one calendar year a total of \$100,000 in value at the date of disposition. The Company agrees that it will, within a reasonable time thereafter, expend the net cash proceeds of any such sales or other disposition to replace the property so sold or otherwise disposed of by other property, not necessarily of the same character, which in its

judgment is of at least equal value. All property resulting from such expenditures and all property received in exchange for property which was subject to the lien hereof shall forthwith become subject to the lien hereof.

"The Trustees from time to time, upon receipt of a certificate signed by the Railroad Company's President or a Vice President and by its Chief Engineer and by its Comptroller or other chief accounting officer specifying the property released and the value thereof, stating that it is not used or useful for railroad purposes of the Railroad Company and stating the value of all property theretofore sold, exchanged or otherwise disposed of by the Railroad Company pursuant to this Section 11 within the calendar year in which such property was sold, exchanged or otherwise disposed of, shall execute and deliver confirmatory releases or certificates that such property is free from the lien of this indenture.

"The Railroad Company shall deliver to the Corporate Trustee annually in the month of July a certificate signed by its President or a Vice President and by its Comptroller or other chief accounting officer setting forth in reasonable detail all property and the value thereof sold, exchanged or otherwise disposed of in accordance with this Section 11 within the previous calendar year and all replacements and the value thereof, together with the opinion of counsel provided for in the first paragraph of Section 16 of this Article Ten.

"SECTION 12. In order to permit the Railroad Company to refinance or refund any obligations outstanding under any equipment trust, conditional sale agreement or similar arrangement for the purchase of equipment (any equipment trust, conditional sale agreement or similar arrangement being herein referred to as an "equipment agreement"), the Trustees shall execute an instrument subordinating to a new equipment agreement the lien of this indenture on equipment subject to the lien hereof as the Railroad Company shall describe in the certificate hereinafter in this paragraph provided for (the word "equipment" for the purposes of this Section 12 being defined to mean railroad rolling stock); *provided, however*, that the Railroad Company shall deliver to the Corporate Trustee a resolution of its Board of Directors requesting such subordination, together with a certificate signed by its President or Vice President and by its Chief Engineer and by its Comptroller or other chief accounting officer stating that such refinancing or refunding has

been or is to be made upon terms which will effect a saving or advantage to the Railroad Company and that the aggregate principal amount of the Railroad Company's obligations outstanding at the time under equipment agreements (exclusive of obligations then being issued in respect of the acquisition of additional equipment) shall not be increased by such refinancing or refunding.

"If under the provisions of any equipment agreement the Railroad Company shall be required to convey equipment to replace equipment thereunder which has been destroyed, retired or otherwise disposed of, the Railroad Company may so convey equipment which is subject to the lien of this indenture. Upon the delivery by the Railroad Company to the Corporate Trustee of a resolution of its Board of Directors requesting the subordination of the lien of this indenture on such equipment the Trustees shall execute an appropriate instrument of subordination.

"If the Railroad Company shall subject to any equipment agreement any equipment constructed or acquired by the Railroad Company after, or not more than five years prior to, the creation of such equipment agreement, and if such equipment agreement is created for the purpose of providing for, or reimbursing, in whole or in part, the cost of the acquisition or construction of such equipment, the Trustees shall execute an appropriate instrument subordinating the lien of this indenture on such equipment, including any scrap material used in the construction thereof, whether or not obtained from any equipment formerly subject to the lien hereof, to the rights of the trustee or holders of obligations secured by such equipment agreement upon delivery to the Corporate Trustee of a certificate signed by the President or a Vice President of the Railroad Company and by its Chief Engineer and by its Comptroller or other chief accounting officer describing such equipment and stating such facts as may be necessary to show that the transaction complies with the conditions hereinabove in this paragraph stated.

"SECTION 13. The Railroad Company shall have the right in its unrestricted discretion and without action of the Trustees to, or to permit any controlled company or subsidiary company of the Railroad Company to, alter, amend, surrender or withdraw from, or in any manner

terminate, any agreement in any form whether by lease, traffic or trackage contract or operating agreement for the use of any part of any terminals owned by any terminal company whether or not a controlled company or a subsidiary company of the Railroad Company or used by the Railroad Company or any controlled company or subsidiary company and wherever such terminals may be situated.

"SECTION 14. The Railroad Company shall have the right in its unrestricted discretion and without action of the Trustees to deal with and to dispose of any obligations of any character which it may acquire in the course of current business not specifically pledged or to be pledged under this indenture and in respect of such acquisition of which bonds shall not have been authenticated and delivered or deposited moneys paid out under this indenture or under the Adjustment Mortgage and property shall not have been released from the liens thereof.

"SECTION 15. All action on the part of the Trustees or of the Corporate Trustee called for by this Article Ten shall be requested by resolution of the Board of Directors of the Railroad Company and any action on the part of the Trustees called for by this Article Ten shall require the concurrence of the Corporate Trustee. The Railroad Company, when requesting any action hereunder in addition to any requirement herein elsewhere provided for, shall file with the Corporate Trustee a certificate signed by its President or a Vice President, and by its Chief Engineer and by its Comptroller or other chief accounting officer, which shall set forth

(a) a description of the property a release of which, or permission or consent for the sale, exchange or other disposition of which, or other dealing with which, is requested;

(b) the selling price of the property sought to be released, if it is to be sold, or a description of the property to be received in exchange therefor, if any, or, if the property sought to be released is to be otherwise disposed of, such other consideration as may be received therefor, including the benefits to be received by the Railroad Company or the resulting enhancement in value of the remainder of its property subject to the lien of this indenture;

(c) that, in the case of any release except by way of donation, the fair value to the Railroad Company of the property sought to be released is not greater than the value of the consideration to be received therefor, after taking into account any cash paid by the Railroad Company pursuant to Section 16 of this Article Ten, it being intended to include within the meaning of 'consideration' as herein used the sales price of the property in the event the property to be released is sold, the fair value of the property, including cash or obligations received on an exchange of the property to be released, and the benefits to be received by the Company or the resulting enhancement in value of the remainder of its property subject to the lien of this indenture in the event the property to be released is to be otherwise disposed of;

(d) in the case of a donation, the fair value of the property sought to be released; and

(e) such matters as it shall be necessary to establish in order to show that the release of, or other dealing with the property forming the subject of such request is authorized under the provisions and restrictions of this Article Ten.

"Such resolution and certificate, together with such other documents as may specifically be required elsewhere in this Article, may be received by the Trustees as conclusive evidence of any of the facts, or of the continuance of any condition, or of anything, by this Article Ten required to be established or shown in order to authorize the action sought in respect of any property forming the subject of such resolution and certificate, and, where any other document is so required, such other document, and shall be full warrant to the Trustees for any action taken on the faith thereof; but the Trustees, in their discretion, may require at the cost and expense of the Railroad Company such further and additional evidence as to the Trustees may seem reasonable.

"SECTION 16. Unless some other disposition thereof be required by some mortgage, deed of trust, or other instrument constituting a lien prior to the lien of this indenture, the consideration to be received by the Railroad Company in connection with the sale, exchange or other disposition of property to be released, to the extent that consideration shall be in the nature of cash, securities, property, contracts, leases or any

other interest in property of any kind or description, and all moneys received as compensation for any property subject to this indenture taken by exercise of the power of eminent domain, shall be deposited with the Corporate Trustee or assigned or conveyed to the Trustees by such appropriate assignments, deeds or other instruments as the Corporate Trustee may reasonably require. The Railroad Company shall also deliver to the Corporate Trustee an opinion of counsel to the effect either that such assignments, deeds or other instruments are sufficient for the purpose of subjecting to, and upon the trusts and for the purposes of, this indenture, such securities, property, contracts, leases or other interests in property, or that no such assignments, deeds or other instruments are necessary for such purpose. If the property to be released is to be sold and the fair value thereof is greater than the consideration to be received therefor, or if such property is to be exchanged and the fair value of the property to be released exceeds the fair value of the property to be received in exchange therefor, the Railroad Company shall in either case deposit with the Corporate Trustee an amount in cash equal to such excess. If the property to be released is donated, the Railroad Company shall deposit with the Corporate Trustee an amount in cash equal to the fair value of such property.

"In case of the sale

- (1) of a line of railway or other real property, or
- (2) of stocks and bonds,

not specified in the Granting Clauses, but on account of the acquisition of which bonds shall have been issued or deposited moneys paid out under this indenture or under the Adjustment Mortgage or property released from the liens thereof, there shall be deposited with the Corporate Trustee, as aforesaid, an amount in cash at least equal to the face amount of all bonds so issued under this indenture, and, if then undischarged, under the Adjustment Mortgage or of deposited moneys which shall have been so paid out under this indenture and, if then undischarged, under the Adjustment Mortgage, or the fair value of property released from the liens thereof. The written statement of the Corporate Trustee under the Adjustment Mortgage, as to the amount of bonds issued or deposited moneys paid out under, or the fair value of property released from the lien of, such mortgage on account of the acquisition

of the line of railway or other real property or of the stocks and bonds so sold, shall be full protection to the Trustees and to each of them for any action taken on the faith thereof.

"Any moneys received by the Corporate Trustee pursuant to the provisions of this Article Ten shall be held by the Corporate Trustee and, the Railroad Company not being in default under this indenture, may from time to time, at the election of the Railroad Company

(a) be paid over by the Corporate Trustee to the Railroad Company to reimburse in full, without limitation as to their amount, expenditures not otherwise reimbursed, made by the Railroad Company after, or within twenty-four months preceding, receipt of such moneys by the Corporate Trustee for any of the purposes for which Prior Lien Bonds are reserved under Section 4 of Article Two and without affecting the right of the Railroad Company to obtain the authentication and delivery of bonds reserved under said Section 4 in respect of expenditures not otherwise reimbursed; such payments to be made only in accordance with Section 6 of Article Two, and, except as aforesaid, subject to the restrictions of said Section 6; or

(b) be applied by the Corporate Trustee from time to time, to the payment of Prior Lien Bonds at their maturity or to the redemption of Prior Lien Bonds in accordance with the terms thereof or to the purchase of Prior Lien Bonds on the open market, such payment, redemption or purchase to be made with respect to such series of Prior Lien Bonds, in whole or in part, as the Railroad Company by written request may direct; *provided, however*, that the Corporate Trustee shall not purchase Prior Lien Bonds of any series at a price or prices (including accrued interest and brokerage charges) which exceed the applicable redemption price for Prior Lien Bonds of such series prevailing at the time and accrued interest, or, if the Prior Lien Bonds of such series are not redeemable, at a price or prices (including accrued interest and brokerage charges) which exceed the principal amount thereof and accrued interest to the date of purchase. The Railroad Company shall pay the cost of any required notices and pay to the Corporate Trustee accrued interest to the date of purchase or redemption, as the case may be, on all Prior Lien Bonds so pur-



chased or redeemed and all brokerage charges, together with an amount by which the aggregate purchase price or redemption price (excluding interest and brokerage charges) paid by the Corporate Trustee exceeds the aggregate principal amount of the Prior Lien Bonds purchased or redeemed. Any bonds so redeemed or purchased shall forthwith be canceled and, on its written demand, delivered to the Railroad Company; or

(c) be invested or reinvested by the Corporate Trustee in any bonds or other obligations designated in a written request of the Railroad Company, which as to principal and interest constitute direct obligations of the United States of America due within two years.

"In the event of any investment in obligations pursuant to clause (c) of this Section 16, the Railroad Company shall promptly reimburse the Corporate Trustee for any premium (over principal amount) or accrued interest paid upon the purchase of any such obligations, and for any expenses incurred by it in connection with the purchase or sale thereof, including brokerage commissions.

"Until an event of default specified in Article Seven hereof shall have happened and be continuing, any interest on such obligations which may be received by the Corporate Trustee shall be paid to the Railroad Company at the end of the calendar month in which such interest may have been received; *provided*, that if at the end of such calendar month the aggregate market value of such obligations shall be less than their cost, the Corporate Trustee shall out of any such interest collected by it and not theretofore paid over to the Railroad Company retain an amount sufficient to make up such deficit so long as such deficit shall exist. Such obligations and retained interest shall be held by the Corporate Trustee as a part of the mortgaged premises, but, upon written request of the Railroad Company, or at any time when the Corporate Trustee in its discretion shall deem such action advisable, the Corporate Trustee shall sell all or any designated part of the same, and the proceeds of such sale and retained interest shall be held by the Corporate Trustee as part of the mortgaged premises. In case the net proceeds realized upon any sale, together with any interest held with respect thereto, shall amount to less than the cost of the obligations so sold, the Railroad Company shall promptly pay

to the Corporate Trustee the amount of the difference between the cost and the net proceeds and interest held with respect thereto and the amount so paid shall be held by the Corporate Trustee as part of the trust estate. The Railroad Company, unless to the knowledge of the Corporate Trustee an event of default specified in Article Seven hereof shall have happened and be continuing, shall be entitled to receive any amount realized from the sale of the obligations so sold in excess of the cost thereof. Whenever the Railroad Company shall be entitled to the payment of moneys under clause (a) of this Section 16 the Railroad Company shall accept obligations held by the Corporate Trustee as part of the mortgaged premises pursuant to this paragraph to the extent that such obligations shall be tendered to the Railroad Company by the Corporate Trustee in lieu of cash, and such obligations shall be accepted at the cost thereof to the mortgaged premises. The Trustees shall not be liable or responsible for any loss resulting from any investment or reinvestment pursuant to this Section 16. The term "cost" for the purpose of making any computation pursuant to the provisions of this paragraph shall not be deemed to include the amount of any premium (over principal amount), accrued interest and brokerage commissions paid upon the purchase of any obligation hereunder.

"SECTION 17. In no event shall any purchaser or purchasers of any property sold or disposed of under any provisions of this Article Ten be required to see to the application of the purchase money.

"SECTION 18. In case the mortgaged premises shall be in the possession of a receiver lawfully appointed, the powers in and by this Article Ten conferred upon the Railroad Company may be exercised by such receiver with the approval of the Corporate Trustee, and if the Trustees shall be in possession of the mortgaged premises under any provision of this indenture, then all the powers by this Article Ten conferred upon the Railroad Company may be exercised by the Trustees in their discretion.

"SECTION 19. The Trustees may consent to, or join in, any action by the trustee or trustees of any prior mortgage under which stocks or bonds assigned hereunder shall be pledged, which the Trustees by the terms of this Article would be authorized themselves to take if such stocks

and bonds were pledged with the Trustees hereunder. The Trustees shall not release from the lien of this indenture any property which shall be subject to the lien of a prior mortgage unless the same shall have been or shall simultaneously be released by the trustee or trustees of such prior mortgage. No release of any property subject to the lien of the Adjustment Mortgage shall be operative or effective unless and until such property shall have been or shall be released by the Trustees of the Adjustment Mortgage if then undischarged, nor shall any consent or permission for action given pursuant to any of the provisions of this Article Ten be operative or effective unless and until the like consent or permission shall have been or shall be given by the Corporate Trustee under the Adjustment Mortgage if then undischarged."

SECTION 2. Anything to the contrary in Section 1 of Article Two of this Supplemental Indenture notwithstanding, the Railroad Company shall not be entitled to the payment of moneys under clause (a) of Section 16 of Article Ten of the Original Mortgage as amended by said Section 1 to reimburse the Railroad Company for expenditures made by the Railroad Company prior to the effectiveness of this Article Two as provided in Article Four of this Supplemental Indenture.

SECTION 3. From and after the effective date of this Article Two, the expenditures for all replacements and substituted property acquired by the Railroad Company by reason of the requirements of Sections 10 and 11 of Article Ten of the Original Mortgage as amended by Section 1 of this Article Two shall not be includible in any officers' certificate furnished pursuant to Section 6 of Article Two of the Original Mortgage as the basis for the authentication and delivery of Prior Lien Bonds or the application of deposited moneys under Section 4 of Article Two of the Original Mortgage (except in the case of replacements of or substitutions for property the expenditures for which would have been includible in such certificate), and all officers' certificates furnished pursuant to said Section 6 shall appropriately show the aggregate expenditures for all such replacements and substituted property.

**ARTICLE THREE.****Addition of Provisions for Bondholders' Meetings.**

SECTION 1. The Mortgage is hereby amended, effective as provided in Article Four hereof, by the addition to the Original Mortgage of Article Sixteen to read in its entirety as follows:

**"ARTICLE SIXTEEN.****"BONDHOLDERS' MEETINGS.**

"SECTION 1. The Corporate Trustee may at any time call a meeting of the holders of the Prior Lien Bonds (hereinafter called the Bondholders) and shall from time to time call a meeting of the Bondholders on the written request of the Railroad Company, made pursuant to a resolution of the Board of Directors of the Railroad Company, or on the written request signed by the Bondholders representing at least 10% in aggregate principal amount of the outstanding Prior Lien Bonds affected by any action proposed to be taken at such meeting *provided* that the Corporate Trustee shall be furnished at the time of any such request with an amount sufficient to defray the cost of publishing notice of such meeting in accordance with the provisions of Section 2 of this Article. Every such written request shall set forth the purposes of such meeting in reasonable detail. In the event of the failure of the Corporate Trustee for 10 days to call a meeting after being thereunto requested as above set forth, the Railroad Company pursuant to a resolution of its Board of Directors, or the holders of outstanding Prior Lien Bonds to the amount above specified in this Section 1, may call the meeting. Prior Lien Bonds owned or held by or for the account of the Railroad Company or any person directly or indirectly controlling more than 50% of the voting stock of the Railroad Company or any corporation more than 50% of the voting stock of which is directly or indirectly controlled by the Railroad Company shall not be deemed outstanding for any purpose of this Article, except that any Prior Lien Bonds pledged by the Railroad Company, or by any such person or corporation, as security for loans or other obligations otherwise than to another such person or corporation, shall be deemed to be outstanding for all purposes of this Article, if the pledgee is entitled pursuant to the terms of its pledge agreement and is free to

exercise in its discretion the right to vote such Prior Lien Bonds, uncontrolled by the Railroad Company or by any such person or corporation. Every such meeting of Bondholders shall be held in the Borough of Manhattan, City and State of New York.

"SECTION 2. Notice of every meeting of Bondholders, setting forth the purpose of such meeting in reasonable detail and the date, place and hour shall be given, by mailing a copy of such notice by first-class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for the meeting to each holder of Prior Lien Bonds affected by any action proposed to be taken at such meeting at the address of such holder as it shall then appear upon the registry of Prior Lien Bonds, or, if not all Prior Lien Bonds at the time outstanding shall be registered, by publishing such notice (unless waived by the holders of all outstanding Prior Lien Bonds) at least once a week for three consecutive weeks in a daily newspaper printed in the English language, customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York, the first publication to be not less than thirty (30) nor more than sixty (60) days prior to the date fixed for the meeting. Such publications need not all be made in the same newspaper. If notice by publication shall be required, notice shall also be mailed as aforesaid to each Bondholder, but in such case failure to so mail shall not affect the validity of action taken at any such meeting. The place, date and hour of holding such meeting and the dates of publishing such notice shall be determined by such of the Corporate Trustee, the Railroad Company or the holders of outstanding Prior Lien Bonds as shall call the meeting as provided in this Article.

"SECTION 3. The Corporate Trustee shall make such reasonable regulations as it shall think fit for any meeting of Bondholders in regard to proof of the holding of Prior Lien Bonds and of the appointment of proxies, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates of ownership and other evidence of the right to vote, and in regard to such other matters concerning the conduct of the meeting as it shall think fit, and any regulations so made, notwithstanding any other provisions in this indenture, shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Except as otherwise permitted or

required by any such regulations, the holding of Prior Lien Bonds shall be proved in the manner specified in Article Nine of this indenture and the appointment of any proxy shall be proved by having the signature of the person executing the proxy witnessed or guaranteed by any trust company, bank, bankers or other depository authorized by said Article Nine to certify to the holding of Prior Lien Bonds transferable by delivery.

"SECTION 4. A quorum at any such meeting shall be persons entitled to vote, or their proxies, holding at least  $66\frac{2}{3}\%$  of the aggregate principal amount of Prior Lien Bonds outstanding; but less than a quorum may adjourn the meeting from time to time and the meeting may be held as adjourned without further notice, whether such adjournment shall have been had by a quorum or by less than a quorum. The Corporate Trustee shall by an instrument in writing appoint a temporary chairman of the meeting unless the meeting shall have been called by the Railroad Company or by the Bondholders in which case the Railroad Company or the Bondholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of the Prior Lien Bonds represented at the meeting and entitled to vote. At any meeting, each Bondholder shall be entitled to one vote for every One Thousand Dollars (\$1,000) principal amount of Prior Lien Bonds upon which he shall be entitled to vote as aforesaid. The chairman of the meeting shall have no right to vote other than by virtue of Prior Lien Bonds held by him or by instruments in writing as aforesaid duly designating him as the person to vote on behalf of other Bondholders.

"SECTION 5. Any representative of the Trustees, and their counsel, and any representative of the Railroad Company, and its counsel may attend and speak at any such meeting.

"SECTION 6. A meeting of the Bondholders shall have the power, by resolution affirmatively voted for by the holders of  $66\frac{2}{3}\%$  in aggregate principal amount of Prior Lien Bonds then outstanding to be affected by any action proposed to be taken:

(a) to make any modification in, deletion from, or addition to, any provision of this indenture or any supplement hereto or the rights

and obligations of the Railroad Company or the rights of the holders of all or any series of the Prior Lien Bonds under this indenture or any supplement hereto, *provided* that no modification of, deletion from, or addition to, the provisions of this indenture or any supplement hereto shall be effective until approved by resolution of the Board of Directors of the Railroad Company; and *provided, further*, that no modification of, deletion from, or addition to, the provisions of this indenture or any supplement hereto which, in the opinion of the Corporate Trustee, shall affect the rights, duties or immunities of the Corporate Trustee under this indenture or any supplement hereto may be made without its written consent;

(b) to sanction any compromise with the Railroad Company of the rights of the holders of any one or more series of Prior Lien Bonds against the Railroad Company whether such rights shall arise under the provisions of this indenture or otherwise; and

(c) to the extent permitted by law, to sanction any plan for the reorganization, readjustment or liquidation of the Railroad Company;

*provided, however*, that the Bondholders shall have no power (a) to extend the maturity of any Prior Lien Bond or reduce the principal amount thereof or reduce the rate of interest thereon, or otherwise modify (other than by modification of the provisions of any sinking fund) the terms of payment of the principal thereof or interest thereon, without the consent of the holder thereof or (b) to reduce the percentage required by this Section for any action authorized to be taken by the Bondholders pursuant to this Section, without the affirmative vote of the holders of one hundred percent (100%) in principal amount of the outstanding Prior Lien Bonds.

"If the taking of any such action would not affect the rights of the holders of all series of Prior Lien Bonds, then only the consent of holders of 66⅔% in principal amount of the Prior Lien Bonds of each series affected shall be necessary for the taking of the action in question.

"SECTION 7. Any such resolution so passed at a meeting of the Bondholders duly convened and held shall be effective to bind all Bondholders, whether or not voting in person or by proxy at such

meeting, and all Prior Lien Bonds are to be owned and held on the condition, as part of the consideration for the issuance thereof, that any resolution so adopted at the meeting of the Bondholders shall be final and conclusive upon all Bondholders and upon their successors and assigns.

"SECTION 8. The vote upon any resolution shall be by ballot and the chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of the Bondholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed and/or published as required by Section 2 of this Article. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Railroad Company and the other to the Corporate Trustee to be preserved by the Corporate Trustee. Any record so signed and verified shall be proof of the matters therein stated until the contrary is proved, and if the record shall also be signed and verified by the affidavit of a duly authorized representative of the Corporate Trustee, the meeting shall be deemed conclusively to have been duly convened and held, and any resolution or proceeding stated in the record to have been adopted or taken shall be deemed conclusively to have been duly adopted or taken at the meeting.

"SECTION 9. Prior Lien Bonds authenticated and delivered after the date of any Bondholders' meeting may, and if the Corporate Trustee so determines shall, bear a notation in form approved by the Corporate Trustee as to any action taken at meetings of Bondholders theretofore held. If the Railroad Company and the Corporate Trustee shall so determine, new Prior Lien Bonds so modified as to conform, in the opinion of the Corporate Trustee and the Board of Directors of the Railroad Company, to any Bondholders' resolution shall be prepared by the Railroad Company, authenticated by the Corporate Trustee and



delivered without cost to the Bondholders upon surrender of their Prior Lien Bonds in equal aggregate principal amounts.

"SECTION 10. Any power exercisable at any meeting convened pursuant to this Article may also be exercised without a meeting by an instrument or instruments signed by the holders of the same percentage of Prior Lien Bonds as would be required for the adoption of a resolution pursuant to Section 6 of this Article and delivered to the Corporate Trustee, together with such proof of the fact and date of the execution thereof and the fact and date of the holding of Prior Lien Bonds by the signers thereof, as may be required by the Corporate Trustee."

SECTION 2. Section I of Article Three of the Original Mortgage is hereby amended by renumbering Clause (g) thereof as Clause (h) thereof, and inserting a new Clause (g) reading as follows:

"(g) to evidence any action taken with the consent of, or at any meeting of, the Prior Lien Bondholders; and".

#### **ARTICLE FOUR.**

##### **Effectiveness of this Supplemental Indenture.**

SECTION 1. Except as provided in Section 2 of this Article Four, this Supplemental Indenture shall be effective from and after the date of its execution and delivery.

SECTION 2. The provisions of Articles Two and Three of this Supplemental Indenture shall become effective immediately upon the filing by the Railroad Company with the Corporate Trustee of a certificate signed by its President or a Vice President and by its Comptroller or other chief accounting officer stating either:

(a) that the holders of all Prior Lien Bonds of Series A to Series F, inclusive, outstanding in the hands of the public (including any such Bonds which may be subject to pledge) have consented to the effectiveness of the provisions of said Articles Two and Three; or

(b) that all Prior Lien Bonds of Series A to Series F, inclusive, have been retired at maturity or through redemption or otherwise (or that due provision therefor satisfactory to the Corporate Trustee has been made), or have been acquired by the Railroad Company and at the date of such certificate are held in its treasury;

*provided, however,* that the Corporate Trustee in its discretion may require at the cost and expense of the Railroad Company such additional evidence as to the happening of either of such events as to the Corporate Trustee may seem reasonable. The Corporate Trustee may also require at the cost and expense of the Railroad Company that all Prior Lien Bonds not theretofore cancelled be appropriately stamped to evidence the effectiveness of the provisions of Articles Two and Three of this Supplemental Indenture.

## **ARTICLE FIVE.**

### **Concerning the Trustees.**

The Trustees hereby accept the trusts of this Supplemental Indenture and agree to execute the same upon the terms and conditions contained in the Mortgage as this day supplemented.

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the due execution thereof by the Railroad Company, or for or in respect of the recitals contained herein, all of which recitals are made solely by the Railroad Company, to all of which the holders of the Series G Bonds agree. The Trustees shall not be answerable or accountable for anything whatsoever in connection with this Supplemental Indenture or the performance hereof, except for their individual wilful misconduct, and shall be protected in any action taken, suffered or omitted by them or either of them on the advice of counsel.

The Railroad Company agrees to pay to the Trustees reasonable compensation for their services hereunder, and to pay all costs and expenses which may be incurred in the execution or performance of this Supplemental

Indenture, and to indemnify and save harmless the Trustees and each of them from all costs, expenses or liabilities which may be incurred by them or by either of them or by any agent or attorney by them employed by reason of or in connection with the execution or the performance hereof.

## ARTICLE SIX.

### Execution in Counterparts.

This Supplemental Indenture may be executed simultaneously in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, the party hereto of the first part, has caused this Supplemental Indenture to be signed and acknowledged or proved by the Chairman of its Executive Committee, or its President or a Vice President; and its corporate seal to be hereunto affixed and the same to be attested by the signature of its Secretary or an Assistant Secretary; and THE HANOVER BANK, one of the parties hereto of the second part, has caused this Supplemental Indenture to be signed and acknowledged or proved by one of its Vice Presidents, and its corporate seal to be hereunto affixed, and the same to be attested by the signature of one of its Assistant Secretaries; and DANIEL K. CATLIN, the other of the parties of the second part, has hereunto set his hand and seal, all as of the day and year first hereinabove written.

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

By

*[Signature]*  
Vice President

Attest:

*[Signature]*  
Secretary

[CORPORATE SEAL]

THE HANOVER BANK, AS TRUSTEE

By *Mearns*  
SENIOR Vice President

Attest:

*J. Ryan*  
Assistant Secretary

[CORPORATE SEAL]

And *Daniel K. Catlin* (L. S.)  
Daniel K. Catlin, as Trustee

STATE OF MISSOURI }  
COUNTY OF ST. LOUIS } ss.:

On this \_\_\_\_\_ day of May, 1961, before me **M. R. CRING**, a Notary Public in and for the County aforesaid, in said State, duly commissioned and qualified as such, personally appeared **F. J. HEILING**, by me known to be the identical person who subscribed the name of MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, a corporation, to the foregoing instrument as its Vice President, and by me known to be the \_\_\_\_\_ of said corporation, who, being duly sworn, deposes and says that he resides at \_\_\_\_\_

; that he is \_\_\_\_\_ of said Corporation, one of the parties described in and which executed the foregoing instrument; that he knows the seal of said Corporation and that the seal affixed to the foregoing instrument is the Corporate Seal of said Corporation; that said instrument was signed and sealed on behalf of said Corporation by authority of the Board of Directors of said Corporation; and said **F. J. HEILING** hereby acknowledges that he executed said instrument as his free and voluntary act and deed and as the free and voluntary act and deed of said Corporation for the uses, purposes and considerations therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal in said County and State the day and year last above written.

My term expires:

My Commission Expires September 6, 1961

[NOTARIAL SEAL]



Notary Public

Notary for the County of St. Louis  
which adjoins the City of St. Louis

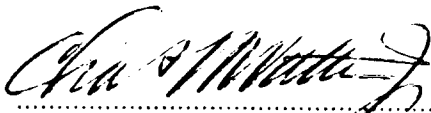
STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

On this 29 day of May, 1961, before me CHAS. H. WATKINS, JR., a Notary Public in and for the County aforesaid, in said State, duly commissioned and qualified as such, personally appeared **J. T. HARRIGAN**, by me known to be the identical person who subscribed the name of THE HANOVER BANK, a Corporation, to the foregoing instrument as one of its **SENIOR VICE PRESIDENT**, and by me known to be a **SENIOR VICE PRESIDENT**, of said Corporation, who, being duly sworn, deposes and says that he resides at **23 PARK VIEW COURT WHITE PLAINS, N. Y.**; that he is a **SENIOR VICE PRESIDENT** of said Corporation, one of the parties described in and which executed the foregoing instrument; that he knows the seal of said Corporation and that the Seal affixed to the foregoing instrument is the Corporate Seal of said Corporation; that said instrument was signed and sealed on behalf of said Corporation by authority of the Board of Trustees of said Corporation; and said **J. T. HARRIGAN** acknowledges that he executed said instrument as his free and voluntary act and deed and as the free and voluntary act and deed of said Corporation for the uses, purposes and considerations therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal in said County and State on the day and year last above written.

My term expires:  
MAR 30 1962

[NOTARIAL SEAL]

  
.....  
Notary Public  
CHAS. H. WATKINS, JR.  
Notary Public, State of New York  
No. 306810600  
Qualified in Nassau County  
Certificate Filed in N.Y. County  
Commission Expires March 30, 1962

STATE OF MISSOURI }  
COUNTY OF ST. LOUIS } ss.:

On this 26<sup>th</sup> day of May, 1961, before me **M. R. CRING**, a Notary Public in and for the County aforesaid, in said State, duly commissioned and qualified as such, personally appeared DANIEL K. CATLIN, to me known to be the identical DANIEL K. CATLIN, and who, as one of the parties thereto, being duly sworn, deposes and says that he resides at ST. LOUIS MISSOURI

; that he executed the within and foregoing instrument, and acknowledged that he executed the same as his free and voluntary act and deed for the uses, purposes and considerations therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal in said County and State the day and year last above written.

My term expires:

My Commission Expires September 6, 1961



Notary Public

[NOTARIAL SEAL]

Notary for the County of St. Louis  
which adjoins the City of St. Louis